



USDA Foreign Agricultural Service

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## Australia

## Dried Fruit

## Annual

## 2005

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**Report Highlights:**

Australian dried vine fruit (DVF) production for 2006/07 is forecast at 26,500 MT, up 1,500 MT on the figure for the previous year. A glut of grapes suitable for winemaking is expected to see competition from winemakers fall but not dissipate completely. DVF exports for 2006/07 are forecast at 7,000 MT, an increase in line with the expected production increase.

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Annual Report  
Canberra [AS1]  
[AS]

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**SECTION ONE: SITUATION AND OUTLOOK****General**

The Australian dried fruit industry has been under much pressure over the past decade. Increased imports have placed downward pressure on prices and expansion in the wine industry has seen fierce competition for grapes suitable for dried fruit production.

Industry sources believe now that the industry has stabilized and believe that production is unlikely to fall far below current levels. The glut of grapes suitable for wine production is likely to somewhat arrest the diversion of DVF grapes to wine production. Industry sources report prices as stable despite strong import levels.

Post does see production levels increasing dramatically over the medium term and anticipates imports to continue increasing steadily beyond the forecast period.

**Production**

Australian dried vine fruit (DVF) production for 2006/07 is forecast at 26,500 MT, up 1,500 MT on the figure for the previous year. A glut of grapes suitable for winemaking is expected to see competition from winemakers fall but not dissipate completely. According to industry sources, Australia DVF varieties are highly suited to blending with premium variety wines, as they are high yielding and relatively inexpensive.

DVF production for 2005/06 is estimated at 25,000 MT, down 5,000 MT from the previous year. Industry sources blame a lack of "fruitfulness" for reduced yields and production. Reduced land area due to urban expansion has been identified as a minor influence on decreased production.

Post has revised its production number for 2004/05 downwards to 26,000 MT in line with recent industry figures.

**Exports**

DVF exports for 2006/07 are forecast at 7,000 MT, up on the revised number for the previous year. This increase is in line with anticipated increases in production.

DVF exports for 2005/06 have been revised downwards to 6,000 MT representing a historically low figure. Lower than anticipated production has reduced the availability of DVF suitable for export while a stronger Australian dollar has reduced export competitiveness.

According to official Australian Bureau of Statistics (ABS) Data, in 2004/05 Germany was the top export destination for Australian DVF receiving 28 percent of Australian exports while the United Kingdom and Italy received 17 and 10 percent respectively. The United States was Australia's fourth largest export market receiving eight percent of Australian DVF exports.

**Imports**

Imports of DVF in 2006/07 are forecast at 16,500 MT, down 1,500 MT on the previous year but remaining at historically high levels. Post anticipates imports to grow beyond the forecast period as they have over the past decade.

According to Australian ABS data, 66 percent of DVF imports in 2004/05 were sourced from Turkey. Iran provided around 18 percent of imports while the U.S. provided just less than eight percent.

### Policy

In 2005 the Australian government recently announced a A\$556,000 assistance package for the Australian dried fruit sector. The assistance package is designed to boost the industry's profitability, sustainability and competitiveness.

The funding provided will cover projects reported as "developing business skills", "improving technical resources", "improving industry planning" and "identifying new market and promotion strategies".

Industry has committed to matching the governments contribution "dollar for dollar" in a partnership agreement. Industry originally identified these project areas by engaging a consultant to report on options for redevelopment and restructuring.

Government assistance for the dried fruit industry was provided under the *"Agriculture – Advancing Australia"* package. This package, which originally for one year at a total cost of A\$4.7 million, has now been extended to a total of four years and A\$15 million.

## SECTION TWO: STATISTICAL TABLES

PSD Table Raisins							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		03/2004		03/2005		03/2006	MM/YYYY
Area Planted	24	24	23	22	0	20	(HA)
Area Harvested	20	20	18	19	0	18	(HA)
Beginning Stocks	1773	1773	4973	2211	2973	3211	(MT)
Production	29000	26000	30000	25000	0	26500	(MT)
Imports	19700	15590	16000	18000	0	16500	(MT)
TOTAL SUPPLY	50473	43363	50973	45211	2973	46211	(MT)
Exports	10000	7152	11000	6000	0	7000	(MT)
Domestic Consumption	35500	34000	37000	36000	0	36000	(MT)
Ending Stocks	4973	2211	2973	3211	0	3211	(MT)
TOTAL DISTRIBUTION	50473	43363	50973	45211	0	46211	(MT)